

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 7/69 Paid-Up
with 640 acres pooling provision

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 3rd day of February, 2010, between Easter Seals North Texas, f/k/a The Easter Seal Society for Children and Adults of Tarrant County, Texas (whether one or more), whose address is 1424 Hemphill Street, Fort Worth, TX 76104, Lessor, and GRAND ENERGY, INC., whose address is 15303 Dallas Parkway, Suite 1010, Addison, TX 75001, Lessee, WITNESSETH:

1. Lessor, in consideration of Ten Dollars (\$10.00) & Other Good and Valuable Consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of lessee hereinafter contained, does hereby grant, lease and let unto lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land", is located in the County of Tarrant, State of Texas, and is described as follows:

Being 2.908 acres of land, more or less, located in the Joseph Martin Survey A-1017, Tarrant County, Texas, and being more particularly described in that certain Judgment dated August 8, 1972 between The State of Texas vs. H.B. Nettleton, et al in Cause # 96-6658-71 of the 96th Judicial District Court of Tarrant County, Texas recorded in Volume 5317, Page 265, Deed Records, Tarrant County, Texas.

~~This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by lessor by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which lessor has a preference right of acquisition.~~ Lessor agrees to execute any supplemental instrument requested by lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 2.908 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder. MP

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of **Three (3) years** from the date hereof, hereinafter called "primary term", and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, lessee covenants and agrees: (a) To deliver to the credit of lessor, in the pipe line to which lessee may connect its wells, the equal **one-fourth (1/4)** part of all oil produced and saved by lessee from said land, or from time to time, at the option of lessee, to pay lessor the average posted market price of such **one-fourth (1/4)** part of such oil at the wells as of the day it is run to the pipe line or storage tanks, lessor's interest, in either case, to bear **one-fourth (1/4)** of the cost of treating oil to render it marketable pipe line oil; (b) To pay lessor on gas and casinghead gas produced from said land (1) when sold by lessee, **one-fourth (1/4)** of the amount realized by lessee, computed at the mouth of the well, or (2) when used by lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **one-fourth (1/4)** of such gas and casinghead gas; (c) To pay lessor on all other minerals mined and marketed or utilized by lessee from said land, one-tenth either in kind or value at the well or mine at lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-ins, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, lessee shall pay or tender, by check or draft of lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be mailed to **Lessor at above address**, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same, lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as lessee may elect. Any payment hereunder may be made by check or draft of lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. If larger units than any of those herein permitted, either at the time established, or after enlargement, are required under any governmental rule or order, for the drilling or operation of a well at a regular location, or for obtaining maximum allowable from any well to be drilled, drilling, or already drilled, any such unit may be established or enlarged to conform to the size required by such governmental order or rule. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Each of said options may be exercised by lessee at any time and from time to time while this lease is in force, and whether before or after production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual or royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas. The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of lessee to release as provided in paragraph 5 hereof, except that lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time no operations are being conducted thereon for unitized minerals. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and any of the following: drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until thirty (30) days after there has been furnished to such record owner at his or its principal place of business by lessor or lessor's heirs, successors, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event lessor considers that lessee has not complied with all of its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder. If this lease is cancelled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but lessor agrees that lessee shall have the right at any time to pay or reduce same for lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Lessor: Easter Seals North Texas

Monica Prather DCR

Print: MONICA PRATHER

Title: President & CEO

STATE OF Texas }

COUNTY OF Tarrant }

Before me, a notary public in and for said state, on this 3 day of February, 2010, personally appeared Monica Prather, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its (President or Vice President, Officer, Manager), and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation for the uses and purposes therein set forth.

(SEAL)



Jane F Minardi
Notary Public in and for the State of TX
Printed Name: Jane F Minardi
My Commission Expires: 7-26-11

After Recording Return To:
Grand Energy, Inc.
Attn: Land Dept.
15303 Dallas Parkway, Ste. 1010
Addison, TX 75001

Exhibit "A" ATTACHED

EXHIBIT "A"

Attached to Oil & Gas Lease dated this 3rd day of February 2010 from Easter
Seals North Texas to Grand Energy, Inc

The following agreements and provisions shall supersede and govern the provisions in the printed form text of this Lease to the contrary, and shall inure to the benefit of, and be binding upon the parties hereto and their respective successors and assigns:

1. (A) Notwithstanding anything in this Lease to the contrary, royalty on oil and gas produced and saved from this Lease shall be 25 %, and wherever in this Lease the fraction one-eighth (1/8) appears, the same shall be deemed to read 25 %.

(B) Lessee shall initiate the payment of royalties under this Lease within ninety(90) days following the production of oil or gas produced from the leased premises. If not paid within said ninety (90) days, royalties shall be deemed to be delinquent. Unless the failure of Lessee to timely commence royalty payments as provided herein is due to a legitimate title problem, the delay of royalty owners in executing and returning the Lessee appropriate title curative instruments, (but not division orders whose contents alter, amend, or add to this Lease), or some other circumstances reasonably under the control of Lessee, Lessee shall pay interest on the amount of delinquent royalty at the prime rate of interest of NationsBank of Texas, N.A., plus two percent (2%) per annum, or the highest interest rate then permitted by law, whichever is less, calculated from thirty (30) days following the receipt of payments on production of oil or gas by Lessee and continuing until the date that the payment of royalties is initiated by Lessee. After royalty payments commence, royalty payments will be paid on a monthly basis, subject to previously described interest penalty for delays of payment. In the event title matters are shown to exist which make necessary curative work, royalties shall be suspended only to the extent that they are adversely affected by such title problem or dispute. Division Orders which alter, add to, or amend any provisions or language in this Lease shall not be used as a basis for suspending royalty payment, and any payments suspended for such reason shall accrue interest as provided above;

(C) Acceptance by Lessor of royalties which are past due shall not act as a waiver or estoppel of its right to receive or recover all interest due thereon under the provisions hereof unless the written acceptance or acknowledgment by Lessor to Lessee expressly so provides. Any tender or payment to Lessor of a sum less than the total amount due to Lessor hereunder which is made or intended to be made as an offer of settlement or accord and satisfaction printed or otherwise inserted thereon shall not be deemed an offer of settlement or accord and satisfaction, unless preceded by such a NOTICE OF SETTLEMENT OFFER.

2. At the end of the primary term hereof, Lessee's right to maintain this lease in force after the primary term by shut-in gas well payments hereunder shall not continue for any one or more shut-in periods of more than two (2) years aggregate. With regard to Lessee's right to maintain this Lease by shut-in payments for recurring periods not to exceed two (2) years in the aggregate, it is intended by Lessor and Lessee that this Lease may be maintained in force by payment of shut-in royalties for indefinite periods (i.e., not limited to the two-year period as provided in this paragraph) in those situations where the shut-in of a well by Lessee results from situations beyond the reasonable control of Lessee, including, but not limited to (a) lack of market, (b) failure of any purchaser to take gas production or © shut-in as a result of Lessee's obligation to make-up overproduction under any applicable regulations. Lessee agrees that all gas produced from the leased premises that is not processed in a plant or plants from which products derived therefrom and the residue gas is ratably allocated to the leased premises for the payment of royalty shall, if economically feasible to do so before the same is sold or used for any purpose or transported from the leased premises, be passed through a conventional separator designed and operated to the effect the maximum economical recovery of liquids therefrom and any and all of such liquids shall, for the purpose of this Lease, be treated as oil for royalty payments.

3. In the event this Lease is assigned in whole or in part, notice of said assignment shall be given, in writing, to Lessor.

4. This Lease covers and includes only oil and/or gas, which for all purposes of this Lease are defined as and are limited to, oil, gas, casinghead gas, coalbed methane gas and other gaseous substances, distillate, condensates and associated hydrocarbon substances and all by-products of the foregoing and such sulphur is produced through the wellbore, necessarily with and incidental to the production of any of the foregoing. This Lease does not cover any other fissionable materials, iron ore, copper, lignite, coal or any materials of any type, it being understood this Lease is made for oil and gas purposes only.

5. Lessor's royalty shall be calculated free and clear of costs and expenses for exploration, drilling and development. Lessor's royalty shall bear its proportionate share of the actual costs incurred by Lessee to produce and market Lessor's royalty production, including, but not limited to, actual costs of dehydration, storage, compression, separation by mechanical means, and stabilization of the hydrocarbons at the well, and Lessor's royalty shall bear its share of severance and other taxes based upon production.

MP

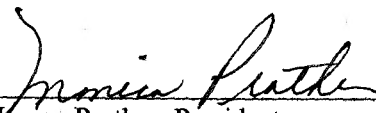
6. At (i) the expiration of the primary term, if drilling operations are not being conducted at the expiration of the primary term on the leased premises or lands pooled therewith, or (ii) if drilling operations are being conducted at the expiration of the primary term on the leased premises or lands pooled therewith, the date after the expiration of the primary term on which drilling operations cease for a period of ninety(90) consecutive days, this Lease shall terminate as to all lands not included in a Retained Unit (as defined below) on which there is located a well producing or capable of producing in paying quantities but shut-in or on which Lessee is conducting operations for drilling or reworking of a well on the leased premises or lands pooled therewith with no cessation of greater than ninety(90) days; and as to each Retained Unit, this Lease shall terminate as to all depths and formations lying 100 feet below the stratigraphic equivalent of the deepest depth penetrated by a well drilled in that unit. Thereafter, as to each such Retained Unit, if production should cease from any cause, this Lease shall not terminate if Lessee commences operations for drilling or reworking within ninety(90) days thereafter and such operations are conducted on such well or additional well with no cessation of more than ninety(90) consecutive days and if they result in production of oil, gas, or other minerals, so long thereafter as oil, gas, or other minerals are produced from said land. The term "Retained Unit" shall mean the production unit surrounding each well on the leased premises or lands pooled therewith (i) then being drilling, (ii) on which Lessee is then conducting operations for drilling or reworking and for which there is no cessation of such operations for greater than (60) days, or (iii) that is then producing or is a gas well that is capable of producing but shut-in, with the size of such unit being of such amount of acreage that will permit such well to produce at its maximum allowable according to the rule and regulations of the Railroad Commission of the State of Texas, but in no event shall any Retained Unit exceed 160 acres for a gas well or 80 acres for an oil well. The term "drilling operations" shall mean actual drilling operations with a drilling rig on location on the leased premises, together with substantially all attendant equipment needed to drill a well to the permitted depth, with the drill bit actually turning in the ground. The term "reworking operations," for purposes of this paragraph, shall mean the actual reworking of a well or well equipment on the leased premises, with the equipment necessary on location to conduct such reworking of such well or well equipment and actually in the operation of reworking of such well or well equipment.

If Lessee fails within thirty (30) days after date on which this Lease shall partially terminate as provided above to designate the acreage so allocated to each Retained Unit in writing and file same for record in the office of the county clerk of the county in which the lands are situated, together with a release as to the remaining acreage covered by this Lease, then Lessor may give notice to Lessee of such failure, and if Lessee fails to comply within thirty (30) days after such notice to Lessee of such failure, and if Lessee fails to comply within thirty (30) days after such notice, Lessor may at any time thereafter execute and file such a designation, and this Lease shall terminate as to all lands except those so designated.

At such time as a partial termination of this Lease occurs under the provisions of this paragraph, each such Retained Unit as to which this Lease has not terminated shall be considered as a separately leased tract in the same manner as Lessor had executed separate and distinct leases covering each such tract. Notwithstanding a partial termination of this Lease under the above provisions, it is agreed that Lessee shall have and retain such easements of ingress and egress over those lands covered hereby as shall be necessary to enable Lessee to develop, operate, and produce the portion or portions of this Lease that continue in force and effect for the production of oil or gas therefrom.

7. Lessee for itself, Lessee's successors and assigns, shall indemnify Lessor and hold harmless Lessor, Lessor's successors and assigns from all claims for damage and injury (including but not limited to attorney's fees and expenses of litigation) to third parties or the leased premises resulting in or from the operations of Lessee or its successors or assigns pursuant to this Lease.

Signed for identification:


 Monica Prather, President

Easter Seals North Texas

DCR

END OF EXHIBIT "A"

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

GRAND ENERGY INC
ATTN: LAND DEPT
15303 DALLAS PKWY, STE 1010
ADDISON, TX 75001

Submitter: GRAND ENERGY, INC.

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 2/8/2010 3:29 PM

Instrument #: D210028738

LSE

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PGS

\$32.00

By: _____

Suzanne Henderson

D210028738

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: SLDAVES